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TO RUEHC/SECSTATE WASHDC PRIORITY 3829
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

CONFIDENTIAL SANAA 000318

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NEA/ARP FOR ANDREW MACDONALD USAID FOR CHRIS KISCO

E.O. 12958: DECL: 02/17/2020

TAGS: AID EAGR EAID ECON EFIN ETRD GCC PREL PGOV

PTER, YM

SUBJECT: ROYG, WESTERN DONORS CONCERNED ABOUT RIYADH MEETING

REF: SANAA 131

Classified By: Ambassador Stephen A. Seche for reasons 1.4(b) and (d).

11. (C) SUMMARY. Senior ROYG officials have expressed concern about the organization and likely outcomes of upcoming GCC-sponsored meeting in Riyadh. In a February 15 meeting with donors, Deputy Prime Minister for Economic Affairs and Minister of Planning and International Cooperation Abdulkareem al-Arhabi expressly cited the need to focus on bottlenecks to GCC-sponsored aid delivery. In a separate meeting on February 16, Deputy Foreign Minister Mohyadeen al-Dhabbi said that he feared the Riyadh meeting would serve as a 'talk shop' for Gulf countries with no concrete results. Donors are also concerned about the lack of information about the expected agenda and level of representation for this GCC-sponsored meeting. Western donors hope that the meeting will secure tangible aid commitments from the GCC, breaking the tendency of Yemen's neighbors to eschew coordination of their "assistance" programs with other partner nations. If successful, the Riyadh meeting could serve as a turning point for the flow of regional development aid toward Yemen. END SUMMARY.

SENIOR ROYG OFFICIALS APPREHENSIVE ABOUT RIYADH

- 12. (C) With the post-London meeting in Riyadh on February 27-28 around the corner, senior ROYG officials are approaching the meeting apprehensively. In a meeting with donors, Deputy Prime Minister for Economic Affairs and Minister of Planning and International Cooperation, Abdulkareem al-Arhabi, indicated that the challenge of Riyadh would be to accomplish what the two hour London meeting did not, i.e. produce tangible results, and expressly cited the need to focus on bottlenecks to GCC-sponsored aid delivery. Arhabi was also concerned that GCC member states would be unwilling to discuss certain issues in an open forum at the Riyadh conference, and cited the issue of absorbing Yemeni laborers into GCC markets) an issue Sana'a is expected to raise) as a particularly sensitive topic for the GCC.
- 13. (C) In a separate meeting on February 16, Deputy Foreign Minister Mohyadeen al-Dhabbi said that he feared the Riyadh meeting would serve as a 'talk shop' for Gulf countries, without coming to any concrete conclusions. He did not harbor high expectations for the meeting's outcome unless real decision-makers and people who hold the purse strings, such as Ministers of Finance, were present. Without appropriate levels of representation at the Riyadh meeting, Dhabbi said it would be a waste of time and a disappointment for Yemenis, who are keen to see tangible evidence that the international community is ready to invest in their future.

DONORS CONCERNED BY LACK OF AGENDA, LEVEL OF REPRESENTATION

- 14. (C) With the Riyadh meeting just around the corner, donors who gathered at the Feb 15 meeting expressed concern about the lack of information about the GCC-sponsored meeting. The UN Resident Coordinator, Pratibha Mehta, expressed dismay that the Ministry of Planning and International Cooperation (MOPIC)-drafted schedule focused on ROYG and Western donor country presentations, leaving out any contribution from GCC member states. Similarly, the GCC Secretariat General's schedule focused on Western donor and ROYG-led presentations without turning the spotlight on the role of its member states.
- 15. (C) COMMENT. While the Friends of Yemen process offers hope as a new forum for a concerted international stabilization effort, the ROYG as well as Western and Gulf donors now face the challenge of keeping the momentum going after London. GCC donors will be additionally challenged to break their tendency towards "assistance" programs that are anything but transparent, and to make commitments to Yemen that they are prepared to follow through on in conjunction with the Western donor community. If the Riyadh meeting produces even a modest step in this direction, it could serve as a turning point for a sustained flow of regional development aid toward Yemen. END COMMENT.